

Housing Task Force - Phase III Assignment #1

Montana Housing Development Successes and Challenges From ~2020 to Present

Example Table of Montana Housing Development **Successes***

1/16/2024

| # (submitter) | Development Name | Location (city and county) | Type of Development (single-family, multiplex subdivision, other) | Number of Units (quantity) | Permit Footprint (acres) | Attributes to Study Further (list of key factors) |
|-------------------|--|-----------------------------------|--|----------------------------------|--------------------------------|--|
| 1 (Mike Smith) | Riverview Apartments | Big Sky / Gallatin- Madison | Low Income Multifamily | 25 | 1.09 | Lender working with borrower regarding <u>interest rates</u> during a period of rapid rate fluctuation. Multiple Sources of support: \$1.5M MBOH Coal Trust Low Interest Loan, \$500k Magnet Loan, \$1.2M Big Sky Resort Tax Funds, ARPA Funda, Big Sky Community Land Trust purchase of the property. |
| 2 (Mike Smith) | MRM Unified Campus | Billings / Yellowstone | Low Income Housing Multi- family and Homeless Shelter | 29 (160 beds) | 1.347 | Lender working with borrower regarding <u>interest rates</u> during a period of rapid rate fluctuation. Multiple Sources of support: ARPA Funds, TIF Grants and \$12M in Foundation/Grants and Campaign funds to cover multiple cost increases. |
| 3 (Mike Smith) | Arrowleaf / Perennial Apartments | Bozeman / Gallatin | Low Income Housing Multifamily with Clinic and Daycare | 232 | 16.17 | Lender working with borrower regarding <u>interest rates</u> during a period of rapid rate fluctuation. Multiple Sources of support: Bozeman discount for permit fees |

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| | | | | | | and assistance with the construction of the Low-Income Clinic and Daycare. |
| 4 (Mark E.) | Bridger View | Bozeman / Gallatin | Detached and attached homes, 1, 2, and 3-bedroom; for purchase | 62 (31 market rate, 31 Affordable units for purchase) | 8 | <p>Created 31 permanently affordable units utilizing a long-term ground lease managed by Headwaters Community Housing Trust. (In the first weighted drawing, over 250 residents sought 11 Affordable homes.)</p> <p>Some Affordable homes are partially funded through an Employer Assistance program. Employers cover a portion of the capital gap in exchange for securing an employee's opportunity to purchase a subsidized unit.</p> <p>Bozeman's market produces few starter homes. Federal funding contributes significantly to creation of subsidized rentals, but no federal or state funding exists to aid creation of attainable starter homes. Private philanthropy provided crucial funding to produce these units. The capital gap for future affordable units could be met through a combination of</p> |

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| | | | | | | <p>state and local support and capital provided by employers addressing their retention and recruitment needs.</p> <p>Bozeman approved 19 relaxations of its current development code (reduced lot sizes, road widths, setbacks, etc.) so Bridger View could construct 62 homes instead of 35 allowed by its code.</p> |
| 5 (Mark E.) | Family Promise of Gallatin Valley | Bozeman / Gallatin | Adaptive Reuse Multifamily Residential | 47 (rental units) | 2 | Total project cost: \$7.4m, including \$1m in funding from Gallatin County Housing Impact Fund. Funding sources: local bank, philanthropy. |
| 6 (Mark E.) | North 3 rd and Peach Apartments | Bozeman / Gallatin | New Construction Multifamily Residential | 216 (affordable rental units) | 6 | Total project cost: \$69m. Funding sources: national bank, LIHTC. City of Bozeman shallow Affordable Housing incentives used for height, parking reduction. Coordinated utility upgrades. \$1.5m from Gallatin County Housing Impact Fund provided critical bridge to complete funding stack. |
| 7 (Mark E.) | Lumberyard Apartments | Bozeman / Gallatin | New Construction Multifamily Residential | 155 (mix of affordable / market rate rental units) | 9.45 | Total project cost: \$50m. Merchants Bank, LIHTC, Montana Housing. \$2.5m from Gallatin County Housing Impact Fund. Used City of Bozeman |

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| | | | | | | "shallow" affordable housing incentives for height bonus. |
| 8 (Mark E.) | South Montana Street Fourplex | Butte / Silver Bow | Historic Preservation Multifamily Residential | 4 (rental units) | 0.8 | Rehab of previously vacant building within Butte's Urban Renewal Authority district. Project made possible through direct grants from URA (~8% of project budget) and URA bridge loan (~16% of project budget) in second position behind commercial loan from local bank. |
| 9 (Joe M.) | Milwaukie Apartments | Great Falls / Cascade | Multi-Family / Patio Style Apts | 121 | 4.74 | Successful partner with the city for a <u>rezoning</u> and <u>public park easement</u> . |
| 10 (Joe M.) | West Ridge Subdivision | Great Falls / Cascade | Single Family Sub. /Multi- Family | Phase 9 - 28 Ph. 10 - 70 | 20.31 | Planned Unit Development (PUD) <u>Zoning</u> |
| 11 (Joe M.) | Meriwether Crossing | Great Falls / Cascade | Single Family Sub. / Multi- Family | 83 | 21.04 | Planned Unit Development (PUD) <u>Zoning</u> |
| 12 (Mike Smith) | Junegrass Place | Kalispell / Flathead | Low Income Multifamily | 138 | 5.87 | Lender working with borrower regarding <u>interest rates</u> during a period of rapid rate fluctuation. Low interest funds from the MBOH Coal Trust Funds, Kalispell City Support. |
| 13 (Mike S.) | Trinity Apartments | Missoula / Missoula | Low Income Housing Multifamily with Services Center | 202 | 7.07 | Lender working with borrower regarding <u>interest rates</u> during a period of rapid rate fluctuation. Multiple Sources of Support-Use of Missoula and State HOME funds, |

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| | | | | | | Housing Trust Funds, City of Missoula Land Contribution, Missoula CIP/MRA Grant and County Grant to cover multiple cost increases. |
| 14 (Cheryl C.) | Trinity – Blue Heron Place | Missoula / Missoula | x | 30 | x | <p>Blue Heron Place is a 30 permanent supportive homes within Trinity. Service providers and housing developers stretched and expanded on what Homeword Inc. normally does, theorizing that providing permanent supportive housing would work in Missoula as it has in other mountain west and northwest US communities. Blue Heron Place and these other projects have confirmed it works.</p> <p>However, Homeword Inc. has only finite amount of funds filling gaps between billable work and cost of services. There are policy changes necessary to help cover this gap, more refined <u>billing practices</u> by providers, changes in the understanding of the housing resources as to how to use <u>cashflow for services</u> if necessary. Again, this is an excellent example of a success</p> |

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| | | | | | | story that also involves significant challenges. |
| 15 (Danny T.) | The Hogan | Missoula / Missoula | Multifamily | 36 | x | New 55+ development in Riverfront neighborhood adjacent to downtown Missoula. The city code granted <u>flexibility on mandatory parking requirements</u> for this specific project, meaning the builder was able to provide more units and work out an agreement with a nearby church on allowing residents to lease spots there if needed. Project would be much smaller and more expensive if the developer was forced to build more on-site parking. |
| 16 (Nathan D.) | Trailview Homes (NW Montana Community Land Trust Portion) | Whitefish / Flathead | Single-Family / Townhomes | 3 (2023) 6-12 (2024) 12 (2025) | x | Layering <u>private donations</u> with federal / state funds and manageable mortgages for homebuyers makes home ownership accessible for people in the 60% to 120% AMI range. When NWMTCLT purchases the land and allows homeowners to buy just the home and assists them to access HOME-HBA funds and LIFT loans combined with keeping real estate agent/lender/title fees low, home ownership is possible. Also required are “patient” sellers who |

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| | | | | | | might be willing to sell below the market rate. |
| 17 (Nathan D.) | Alpine 93/40 | Whitefish / Flathead | Multifamily / Mixed Use | 210 (multifamily and 15,000 square feet of commercial space) | x | SB245 was a key to its success and instrumental in expediting the process through the city of Whitefish. One of the challenges faced was that as a result of its recent implementation there was a general lack of knowledge / understanding of its ramifications to the existing city's <u>zoning policies</u> . |

*Success is defined broadly in terms of relative time to completion, meeting the budget, resource availability, and/or other criteria.

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